MEDICAL DISPUTE RESOLUTION FINDINGS AND DECISION

PART I: GENERAL INFORMATION

Requestor's Name and Address Surgical and Diagnostic Center 729 Bedford Euless Road West, Suite 100

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Hurst, Texas 76053

Respondent's Name and Address American Home Assurance Company C/o Flahive, Ogden & Latson

Type of Requestor: (x) HCP

Box 19

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AUG 1 7 2005

FLAHIVE, OGDEN & LATSON ANITA DRAKE Response Timely Filed?
MDR Tracking No.:

(x) Yes () No

M4-03-4729-01

TWCC No.:

Injured Employee's Name:

Date of Injury:

Employer's Name:

Insurance Carrier's No.:

PART II: SUMMARY OF DISPUTE AND FINDINGS

Dates of Service		CDT C. I.() D. I.		
From	То	CPT Code(s) or Description	Amount in Dispute	Amount Due
05/17/02	05/17/02	29872—Arthroscopy, Knee	\$5,213.15	\$0.00
5/17/02	5/17/02	85025, 80019, 86311—Lab Fees	\$132.00	\$0.00

PART III: REQUESTOR'S POSITION SUMMARY

Surgical and Diagnostic Center contends that the fee paid was not fair and reasonable because it is below the amount the majority of the other insurance carriers are reimbursing and does not take into account all of the supplies and medications to treat this patient, the amount of time spent in the operating room and other costs. The fee paid does not ensure effective medical cost control because it does not properly compensate for items specifically needed by the provided to the patient.

PART IV: RESPONDENT'S POSITION SUMMARY

No fee or MAR for ASC services. Carrier paid fair and reasonable.

PART V: MEDICAL DISPUTE RESOLUTION REVIEW SUMMARY, METHODOLOGY, AND/OR EXPLANATION

This dispute relates to services provided in an Ambulatory Surgical Center that are not covered under a fee guideline for this date of service. Accordingly, the reimbursement determined through this dispute resolution process must reflect a fair and reasonable rate as directed by Commission Rule 134.1. This case involves a factual dispute about what is a <u>fair</u> and reasonable reimbursement for the services provided.

After reviewing the documentation provided by both parties, it appears that neither party has provided convincing documentation that sufficiently discusses, demonstrates, and justifies that their purported amount is a fair and reasonable reimbursement (Rule 133.307). After reviewing the services, the charges, and both parties' positions, it is clearly evident that some other amount represents the fair and reasonable reimbursement.

During the rule development process for facility guidelines, the Commission had contracted with Ingenix, a professional firm specializing in actuarial and health care information services, in order to secure data and information on reimbursement ranges for these types of services. The results of this analysis resulted in a recommended range for reimbursement for workers' compensation services provided in these facilities. In addition, we received information from both ASCs and insurance carriers in the recent rule revision process. While not controlling, we considered this information in order to find data related to commercial market payments for these services. This information provides a very good benchmark for determining the "fair and reasonable" reimbursement amount for the services in dispute.

To determine the amount due for this particular dispute, staff compared the procedures in this care to the amount that would be within The reimbursement range recommended by the Ingenix study (from 173.9% to 226.5% of Medicare for this particular year). Staff considered the other information submitted by the parties and the issues related to the specific procedures performed in this dispute. Based on this review, the original reimbursement on these services is within the medium to high end of the Ingenix range. The decision for no additional reimbursement was then presented to a staff team with health care provider billing and insurance adjusting experience. This team considered the decision and discussed the facts of the individual case.

Based on the facts of this situation, the parties' experienced staff members in Medical Review.	positions, the Ingenix range for applicable pro- , we find that no additional reimbursement is	rocedures, and the consensus of other due for these services.
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PART VI: COMMISSION DECISION		
Based upon the review of the disputed heal not entitled to additional reimbursement. Findings and Decision by:	thcare services, the Medical Review Divis	sion has determined that the requestor is
Delra Hausenfluck Authorized Signature	Debra Hausenfluck Typed Name	August 15, 2005
		Date of Decision
PART VII: YOUR RIGHT TO REQUEST A HE	ARING	
Either party to this medical dispute may disage a hearing must be in writing and it must be redays of your receipt of this decision (28 To provider and placed in the Austin Represent after it was mailed and the first working day: Administrative Code § 102.5(d)). A request 17787, Austin, Texas, 78744 or faxed to (51). The party appealing the Division's Decision involved in the dispute. Si prefiere hablar con una persona in espansional properties of the party appealing the Division's Decision involved in the dispute.	exas Administrative Code § 148.3). This atives box on	seedings/Appeals Clerk within 20 (twenty) is Decision was mailed to the health care ision is deemed received by you five days the Austin Representative's box (28 Texas of Proceedings/Appeals Clerk, P.O. Box ould be attached to the request.
PART VIII: INSURANCE CARRIER DELIVERY	Y CERTIFICATION	
hereby verify that I received a copy of this I	Decision in the Austin Representative's bo	ox.
Signature of Insurance Carrier:		Date: